



COP 27

# The Left's demands for COP27



## Introduction

One of the goals of the Paris Agreement is to keep global temperature under 1.5°C - but now we are at 1.2°C. No matter how we proceed at this stage, livelihoods will keep being broken, and more and more lives will be taken. The deepest injustice about the climate crisis is how its impacts hit the poorest the hardest.

We have had COP after COP, now up to 27, and the world is still getting hotter. The COP is part of an important, though frustrating process. It seems that progress is made in baby steps, rather than leaps. COP27 needs to represent a shift to rapid, effective, and just climate action. For too long the UNFCCC decision-making process has been one in which the most powerful countries get their way. Those suffering the impact need to be at the centre of the process. If we actually listen to those who bear the brunt of the climate crisis, we will be inspired to act in a different way. Acknowledging that the heaviest burdens of the climate crisis are borne by those who contribute the least forces us to correct this wrong.



## Climate reparations NOW!

For over 30 years, Parties to the COP have discussed financing loss and damage. In Glasgow, a three-year long Dialogue process was set up to finally start tackling the question. But losses and damages are happening now, all over the world, and it is the poor countries of the world that don't have the financial resources or safety nets to build back. We cannot lose sight of the fact that loss and damage is measured in lives and livelihoods - finance for it cannot be kicked down the road again and again.

Climate reparations are an important step for the rich Parties to show that they are fully committed to the Paris Agreement and UNFCCC, which are grounded in the principle of equity, and also to build trust in the UNFCCC process. Effective climate action must be grounded in climate justice. Without the rich countries acknowledging and acting on their climate debt, COP negotiators end up at loggerheads, with snail's pace progress in a house that is on fire. The economic costs of extreme weather events in 2021 is estimated at \$329 billion.<sup>1</sup> The Global South cannot be left to foot the bill for emissions that rich countries are responsible for.

1 <https://www.oxfam.org/en/press-releases/800-increase-un-appeal-needs-extreme-weather-related-emergencies-over-last-20-years#:~:text=The%20economic%20cost%20of%20extreme,the%20developing%20world%20that%20year.>

Here is what we, The Left in the European Parliament, want to see at the COP and in the COP decision:

**a commitment to establishing a finance facility for loss and damage.**

The Glasgow Dialogue process should be used to hammer out the details of this facility, but there is no escaping from the fact that loss and damage requires its own financing arm. Such financing needs to be in the form of grants, as debt-generating loans defeat the purpose. Regular contributions to the facility can be based on a formula calculating the climate debt of rich countries. This is the only reliable way to deliver the necessary funds in a just way.

**a call on rich Parties to immediately start providing bilateral finance for loss and damage.**

Regional governments, Scotland and Wallonia, have started doing this, pledging £2 million and €1 million respectively. Denmark recently became the first country to pledge finance for loss and damage, totalling €13 million, used to subsidise insurance in poor countries. Starting additional finance flows, specifically for loss and damage, is an important step in dealing with climate impacts happening now, before a facility is set up. Rich countries can also start directly transferring funds to disaster relief of the poorest countries. There is no good reason for rich countries to sit on their hands.

**100% Debt cancellation.**

We need urgent debt relief for the world's poorest countries - not only to compensate for loss and damage, but for basic questions of justice. To this end, we must work towards new debt-relief tools for developing countries as well as middle-income countries in debt distress. If states are not in a position to be able to mobilise post-disaster resources and get started with reconstruction, then it is utterly wrong that they fork out debt repayments and interest to rich countries. The soaring debt build-up in developing countries leaves them even more exposed to climate impacts.

**Impetus for the reimagining of the global financial architecture.**

The current architecture caters for rich countries and accentuates inequalities, indebting the poorest countries and placing neoliberal conditions on their economies, stunting their development and ability to cope with losses and damages. The policies of the Washington Consensus have failed. We need a fundamentally reformed/revamped financial system. As the UN Secretary General stated recently "Today's global financial system was created by rich countries to serve their interests many decades ago. It expands and entrenches inequalities. It requires deep structural reform". This also entails a shift away from conventional accounting as well redefining how we measure and monitor progress and prosperity. We need to forge a new international financial system that serves developing countries and their development needs; a system that is not fixated with GDP, and instead focuses on wellbeing, environmental sustainability and fulfilment of the SDGs.

**a commitment to a loss and damage finance goal within the new quantified climate finance goal post-2025.**

The new overall finance goal must fulfil loss and damage needs, and track the quality of the finance, ensuring a priority for grants over loans.

**serious engagement on the Glasgow Dialogue for loss and damage**

The Glasgow Dialogue was a disappointing outcome for the many who hoped that COP26 would deliver a proper financing facility. It's up to rich countries now to show they will genuinely engage in this process, take on the concerns of the Global South parties and avoid all delay tactics and subterfuges. Rich countries must show genuine commitment to establishing a mechanism that sufficiently finances losses and damages in the global south, without looking for cop outs such as depending on insurance schemes or other international financing streams (World Bank or IMF).

**a call for finance ministers to attend all future COPs**

Very little can be promised at the COP if the finance ministers of the Parties are back home. Left alone at the COP, the negotiators of the Parties are left with only a strict mandate, with little room manoeuvre as the negotiations go on. When important questions involving finance are on the table, we need the finance ministers there to make big and important decisions.

**that Loss and Damage be a permanent agenda item for all future COPs.**

There is no escaping loss and damage at the COP, whether it is an agenda item or not. Keeping it a standing item is a commitment from the rich Parties to constantly evaluate loss and damage needs and give spaces for the LDCs and SIDS. It took far too long for loss and damage to be confirmed as an agenda item for COP27. Let's keep it as a standing item so it is dealt with properly each year.

**that the IPCC continue its good work and deliver a Special Report on Loss and Damages**

The IPCC is a fantastic achievement of multilateralism, providing the imperative scientific grounding for policymakers. This community of scientists has published remarkable work on climate impacts. Its 6th Assessment Report (AR6) contains a robust assessment of losses and damages; The report highlights loss and damage as an area of increasing importance in both international climate policy and climate science. For this reason, we would like to see the Parties invite the IPCC to build on their work on Loss and Damage and consider undertaking a Special Report specific to Loss and Damage.